



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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AUDITOR-CONTROLLER

October 20, 2006

TO: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: J. Tyler McCauley *for*  
Auditor-Controller

SUBJECT: **PACIFIC ASIAN COUNSELING SERVICES CONTRACT COMPLIANCE  
REVIEW – MENTAL HEALTH SERVICE PROVIDER**

We have completed a contract compliance review of Pacific Asian Counseling Services (PACS or Agency) a Department of Mental Health (DMH) service provider.

**Background**

DMH contracts with PACS, a private, non-profit, community-based organization, which provides services to clients in Service Planning Areas 2, 5, and 8. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan.

Our review focused on approved Medi-Cal billings, where at least 35% of the total service cost was paid using County General Funds. The Agency's headquarters is located in the Fourth District.

DMH paid PACS between \$1.55 and \$3.95 per minute of staff time (\$93.00 to \$237.00 per hour). DMH contracted with PACS to provide approximately \$2.1 million in services for Fiscal Year 2005-06.

**Purpose/Methodology**

The purpose of the review was to determine whether PACS provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of PACS' billings, participant charts, and personnel and payroll records. We also

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interviewed staff from PACS and interviewed a sample of participants or their parent/guardian if the participant is a minor.

### **Results of Review**

Overall, PACS provided the services outlined in the County contract. The Agency used qualified staff to perform the services billed and maintained documentation to support the billings sampled. The participants interviewed stated that the services they received met their expectations.

Generally, PACS appropriately provided program services. However, the contractor did not sufficiently document billings for 530 (13%) of the 4,191 minutes sampled in compliance with the County contract. For example, the Agency billed 332 minutes for Mental Health Services in which the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goals. PACS also did not complete the Client Care Plans in accordance with the County contract for five (19%) of 26 participants sampled.

We have attached the details of our review, along with recommendations for corrective action.

### **Review of Report**

We discussed the results of our review with PACS on August 23, 2006. In their attached response, the Agency generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report.

We thank PACS management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Dr. Marvin J. Southard, Director, Department of Mental Health  
Mariko Kahn, Executive Director, Pacific Asian Counseling Services  
Public Information Office  
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW  
FISCAL YEAR 2005-2006  
PACIFIC ASIAN COUNSELING SERVICES**

**BILLED SERVICES**

**Objective**

Determine whether Pacific Asian Counseling Services (PACS or Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

**Verification**

We judgmentally selected 4,191 minutes from 27,623 service minutes of approved Medi-Cal billings to DMH where at least 35% of the total service cost was paid using County General Funds. We reviewed the Progress Notes, Assessments, and Client Care Plans maintained in the clients' charts for the selected billings. The 4,191 minutes represent services provided to 26 program participants.

Although we started our review in May 2006, the most current billing information available from DMH's billing system was December 2005 and January 2006.

**Results**

Generally, PACS appropriately provided program services. However, the contractor did not sufficiently document services for 530 (13%) of the 4,191 minutes sampled in compliance with the County contract. Specifically:

- The Agency billed 332 minutes for Mental Health Services in which the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the clients' goals.
- The Agency billed for 103 minutes where more than one staff was present during an intervention but the Progress Notes did not describe the specific contribution of each staff person.
- The Agency billed 60 minutes for face-to-face Medication Support Services in which the Progress Notes did not indicate that the client was questioned about side effects, response to medication, and medication compliance.
- The Agency billed 35 minutes for Medication Support Services but did not indicate the duration of service on the Progress Notes.

Client Care Plans

PACS did not complete the Client Care Plans for five (19%) of 26 participants sampled in accordance with the County contract. The Client Care Plan establishes goals and interventions that address the Mental Health issues identified in the client's Assessment. Specifically, we noted the following:

- Three charts did not contain Client Care Plans for each type of treatment provided.
- Two Client Care Plans did not contain observable and/or quantifiable goals.

Informed Consent for Medication

PACS did not document informed consent for medication for one (20%) of five clients sampled in the client's chart. Informed consent for medication is required on an annual basis and when medication changes, and documents the client's agreement to a proposed course of treatment based on receiving clear, understandable information about the treatment's potential benefits and risks.

Recommendations**PACS management:**

1. **Maintain sufficient documentation to support its compliance with contract requirements for the services billed to DMH.**
2. **Ensure that Client Care Plans are complete, contain specific and quantifiable goals and are developed for each treatment provided.**
3. **Ensure that informed consent is documented in the client's chart each year or when medication changes.**

**CLIENT VERIFICATION****Objectives**

Determine whether the program participants received the services that PACS billed DMH.

**Verification**

We reviewed five clients that PACS billed DMH for services during December 2005 and January 2006.

**Results**

The five program participants interviewed stated that they received services from the Agency and that the services met their expectations.

**Recommendation**

**There are no recommendations for this section.**

**STAFFING LEVELS****Objective**

Determine whether the Agency maintained the appropriate staffing ratios for applicable services.

We did not perform test work in this section, as the Agency does not provide services that require staffing ratios for this particular funding program.

**STAFFING QUALIFICATIONS****Objective**

Determine whether PACS treatment staff possessed the required qualifications to provide the services.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 15 PACS treatment staff for documentation to support their qualifications.

**Results**

Each employee in our sample possessed the qualifications required to deliver the services billed.

**Recommendation**

**There are no recommendations for this section.**

**SERVICE LEVELS****Objective**

Determine whether PACS' reported service levels varied significantly from the service levels identified in the DMH contract.

**Verification**

We reviewed the Fiscal Year (FY) 2004-05 Cost Report submitted to DMH by PACS and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

**Results**

The Agency did not significantly vary from its contracted service levels. For FY 2004-05, PACS' contracted service level was approximately \$2.1 million and the actual services billed were approximately \$2.0 million.

**Recommendation**

**There are no recommendations for this section.**



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Kenneth Hahn Hall of Administration  
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RE: Agency Response to Auditor-Controller Report on Compliance Review  
Pacific Asian Counseling Services (PACS)

Dear Mr. McCauley:

Thank you for the professional and educational feedback of your staff who conducted the review for PACS. We continue our commitment to providing quality services for the client's we serve at PACS. We have taken action to improve our agency's standards based on the findings of this compliance review.

Recommendation #1: Documentation

**Progress Note did not describe what the client or service staff attempted and/or accomplished towards the client's goals.**

PACS has changed our progress notes to the GIRP format (Goal of the session, Intervention provided by staff, Response from client, Plan). This new format emphasizes that each progress note must reflect progress towards the goals identified with the client in the CCCP. Training was conducted with our clinical and case management staff to improve the quality of our progress notes using this format

**More than one staff was present during an intervention, but the Progress Notes did not describe the specific contribution of each staff person.**

The Clinical Director reviewed the findings, and determined that the notes in question were all related to a weekly group run by a specific mental health provider. These issues were addressed directly with this staff person, as well as a general reminder for all staff.

**Medication Support Services Progress Note did not indicate that the client was questioned about side effects, response to medication, and medication compliance, as required.**

One note was identified during the review with this finding. The Clinical Director reviewed the Progress Note standards with each psychiatrist, and gave them a written reminder of the three areas that must be documented in each progress note.

**Medication Support Service did not indicate the duration of service on the Progress Note.**

One note was identified during the review with this finding. Although the psychiatrist billed for 35 minutes on their billing log, they did not hand write the number of minutes on the progress note in the chart due to human error. All psychiatrists were reminded of the need to document minutes for each note in the charts.

**Recommendation #2: Client Care Plans**

**Three charts did not contain a Client Care Plan for each type of treatment provided.**

**Two Client Care Plans did not contain observable and/or quantifiable goals.**

Due to this finding, PACS has changed the Quality Assurance protocols for the agency. The CCCP must be reviewed by a supervisor for approval prior to opening a chart at the agency. The supervisor is responsible to ensure that all of the services for the client are included on the CCCP, and that the goals are observable and/or quantifiable. A mandatory training is being scheduled for all agency staff related to CCCP plans and documentation issues to improve our quality of documentation.

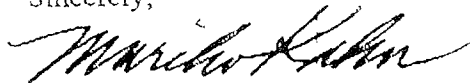
**Recommendation #3: Informed Consent for Medication**

**PACS did not document informed consent for medication in one of the five clients sampled.**

The Clinical Director reviewed the guidelines for consent for medication with PACS' psychiatrists. All psychiatrists agreed they are aware of the standard, but the case in question was not renewed at one year due to human error. As a result, the agency's managers for each office are now reviewing medication consents forms in the charts, and monitoring expiration dates.

Thank you for including our response with your contract compliance review.

Sincerely,



Mariko Kahn, LMFT  
Executive Director